A BILL TO BE ENTITLED

AN ACT

3

5

78

9

10 11 12

13

14

15

16

17

18

19 20

21 22

23 24

25

32

33 34 35

36

37 38

39

40 41 42

43 44

50

51

52

53

54

creating the Texas Private Employment Agency Regulatory Board; giving the board certain duties and responsibilities; establishing certain requirements for the licensing of private employment agencies and private employment agency operators; amending Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended (Article 5221a-6, Texas Civil Statutes); providing severability of this Act; repealing and in conflict; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Chapter 245, Acts of the 51st Legislature, Section 1. Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended (Article 5221a-6, Vernon's Texas Civil Statutes), is amended to read as follows:

"Section 1. Definitions as used in the Act. (a) 'person' means an individual, partnership, association, corpora-

tion, legal representative, trustee in bankruptcy, or receiver.
"(b) 'Fee' means anything of value including money or other valuable consideration or services or the promise of any of the foregoing received by an employment agency from any person seeking employment or employees in payment for any service, either directly or indirectly.

"(c) 'Employer' means any person employing or seeking to

employ any employee.
"(d) 'Applica 'Applicant' means any person engaging the services of a private employment agency for the purpose of securing employment or any person placed by a private employment agency with an employer.

'Private employment agency' means any place or estab-"(e) lishment within this state offering a service leading a person to employment for which a fee is to be received upon the contingency of the employer offering and the applicant accepting employment,

except as hereinafter excepted herefrom.

"(f) 'Commissioner' shall mean the Commissioner of the Bureau of Labor Statistics, and he shall administer and enforce the provisions of this Act and the rules and regulations promulgated by the board and in all matters relating to the enforcement of this Act, shall be guided by the instructions and decisions of the board.

"(g) 'Deputy or inspector' shall mean any person who is duly

authorized by the commissioner to act in that capacity.

"(h)/ 'Operator' shall mean the individual or individuals who have the responsibility for the day-to-day management, supervision and conduct of a private employment agency; and an operator may manage more than one office.

1*229

'Board' shall mean the Texas Private Employment Agency

Regulatory Board.

8

9

10

11

13 14 15

23 24

28 29 30

31

35 36 37

42

43 44

45 46

47

48 49

50

51

52

"Section 2. Exceptions. The provisions of this Act shall not apply to agencies engaged solely in the procurement of employment for\public school teachers and administrators; the provisions of this Act shall not apply to any employment agency established and operated by this state, the United States government, or any municipal government of this state; the provisions of this Act shall not apply to any person who may operate a labor foureau or employment office in conjunction with his own business for the sole and exclusive purpose of employing help for his own use within or without this state, nor to any common carrier operating in this state who may operate an employment office in conjunction with his own business for the exclusive purpose of employing help for his own use within or without this state, provided that no fee or other charge or reduction is exacted from the salary or wages of the worker for employment given. If a fee or charge of any kind, either directly or indirectly is exacted of a worker, then said employer is deemed a private employment agency and is subject to the provisions of this Act. The provisions of this Act shall not apply to farmers or stock raisers acting jointly or severally in securing laborers for their own use in this State where no fee is apply to farmers or stock raisers acting jointly or severally in securing laborers for their own use in this State where no fee is charged or collected, either directly or indirectly for employment given; the provisions of this Act shall not apply to persons acting for members of their own family. The provisions of this Act shall not apply to any person, corporation, or charitable association chartered under the laws of Texas for the purpose of conducting a free employment bureau or agency, nor to any veterans' association or organization or labor union; nor to any nurses' organization operated and conducted by registered nurses for the enrollment of its professional members only for the purpose of providing profesits professional members only for the purpose of providing professional service to the public; the provisions of this Act shall not apply to a labor agent engaged exclusively in the business of procuring common laborers or agricultural workers for employers or any person engaged exclusively in the business of procuring or attempting to procure jobs for common laborers or agricultural workers; nor to any service specifically operated to furnish baby-sitters.

"Section 3. "Section 3. Creation and Composition of the Board. (a) The Texas Private Employment Agency Regulatory Board is hereby created. Its main office is in Austin, at the location of the office of the

commissioner.

"(b) The board is composed of nine hembers appointed by the

governor with the advice and consent of the Senate.

"(c) To be qualified for appointment as a member of the board, a person must be a citizen of the United States and a resident of Texas and shall have been actively engaged in the private employment agency business as an operator owning an interest in a private employment agency in the State of Texas for a period of five years next preceding the date of his appointment.

"(d**/** No more than two members of the board may be residents

of the same state senatorial district.

"(**/**e) Members of the board shall hold office for six years and until their successors are appointed and have qualified; provided however, that a member's appointment shall automatically

terminate in the event such member should cease owning an interest An a private employment agency during the term of the appointment. The first board hereunder shall be appointed on the following basis: one-third of the members of the board for two years, one-third of the members for four years and one-third of the members for six years.

Y(f) Members of the board qualify by taking the tutional oath of office before an officer authorized to administer When a board member presents hys oath of oaths in this state. office and the certificate of his appointment to the secretary of state, the secretary of state shall issue a commission to him. The commission from the secretary of state is evidence of authority to act as a member of the board.

"(g) The board shall formally elect a chairman and secretary-treasurer from its members. The board may adopt rules

necessary for the orderly conduct of its business.

"(h) Six members of the board constitutes a quorum for the transaction of business and may act for the board. The board shall

adopt a seal. The board shall prepare and preserve minutes and other records of its proceedings and action.

"(i) Members of the board do not receive a salary for their services but each member is entitled to \$25 for each day spent in attending meetings of the board, including time spent in travel to and from the meetings, not to exceed \$500 a year. Members of the board are also entitled to be reimbursed for travel and other necessary expenses incurred while performing their official duties if the expenses are evidenced by voucher approved by the chairman

or secretary-treasurer of the board.
"Section 4. Applications for License to Maintain and Operate a Private Employment Agency Applications for license to maintain and operate a private employment agency shall be made by a licensed operator and shall be accompanied by a fee of \$150. Separate applications shall be made for each unit or location where a private employment agency is to be operated and for which a license is sought. Each license shall expire on August 31 of each year and shall be renewable as hereinafter provided. The commissioner shall allow credit for any unused portion of the licenses outstanding on the effective date hereof.

"Section 5. Application for License as an Operator.

(a) Application for a license as an operator may be made by and issued to any person who (1) is a citizen of the United States,

(2) has been a resident of the State of Texas for one year next preceding the filing of said application, (3) is of good moral character, (4) is at least 24 years of age, (5) has never been convicted of an offense involving moral turpitude, and (6) successfully passes the examination prescribed herein.

victed of an offense involving moral variation fully passes the examination prescribed herein.

"(b) The application shall be accompanied by the annual an examination fee of \$25. In the event the examination is not passed, the \$15 fee shall be refunded but the \$25 shall not. All operators' licenses shall expire on

August 31st of each year.

"Section 6. Application Forms. All applications license hereunder shall be made upon forms provided by the bureau of labor statistics and shall state such information as the board

54 1*229

78

9

10

11

12

13

14

15

16 17 18

25 26 27

28 29

30 31 32

34

37 38

49 50

51

52

and the commissioner may require, which shall include affirmative evidence of ability to comply with reasonable standards, rule's, and

regulations as are lawfully prescribed hereunder.

"Section 7. Renewal of Licenses. (a) A private employs agency license may be renewed annually by the operator thereof (a) A private employment filing an application upon the forms provided and the payment of a

\$150 renewal fee.

9

11

19

20 21 22

25

26 27

28 29

30 31 32

35 36 37

38

44 45

46 47 48

49

50 51

53 54

"(b) An operator's license may be renewed annually by the operator by the filing of application for renewal upon forms provided for such renewal and the payment of \$15 renewal fee.

"Section 8. Bond. Each applicant for a private employment agency license or renewal shall, before such license is issued, make and hile with the Commissioner a good and sufficient bond executed by the applicant with good and sufficient surety in the penal sum of \$5,000 payable to the State of Texas; said bond shall be conditioned that the obligor will not violate any of the duties, terms, conditions, and requirements of this Act, and that the principal states of the state cipal, his agents or representatives will not make any false representation or statement to any person soliciting assistance from him for employees or employment, or solicited by him to accept employment. Said bond is to further recite that any person injured or aggrieved by any false or fraudulent statement of such agent, his sub-agent or representatives, or any violation of any provision of this Act thereof by such agent, sub-agent or representative, shall be entitled to bring suit thereon. Provided, however, that one such bond shall suffice where the same person shall make application for more than one office.

"Section 9. Examinations. (a) The examination for an operator's license shall be prepared by the board and shall cover the laws and regulations relating to the operations of a private employment agency, the laws relating to discrimination in employment and related to labor legislation, and general matters related to the management and operation of a private employment agency. The questions for such examination shall be taken from a list of questions which shall have been furnished to the individual taking such examination together with a form of acceptable answers thereto

"(b) All examinations required by this Act shall be given at

such times and places as the board may direct, provided however, such examinations shall be given at least every 60 days.

"Section 10. The commissioner, upon receiving an application for any type of license, shall inspect or cause to be inspected said application and shall make such investigation as may be necessary to determine that the applicant is qualified; provided however, that all applications must be accepted and approved, or a date set for examination, or rejected, as the case may be, within 30 days of the date of filing thereof. In the event of examination being necessary, the license shall be issued or denied within 30 days of the taking of said examination. Any agency applicant, upon request to the commissioner, may see his examination papers within 90 days immediately following the announcement of the date a license has been denied to him as a result of his having failed his examination.

"Section 11. Grandfather Clause. All private employment agencies/in business and operating and holding a lidense as a private employment agent on January 1, 1969, shall be extitled to be

55 1*229

licensed under this Act, and all individuals functioning as an operator of a private employment agency holding a license from the State of Texas on January 1, 1969, shall be entitled to receive a license as an operator under this Act, upon filing an application upon a form provided, and upon payment of the fee as prescribed herein, without meeting the examination requirements of Section 5 hereof

"Section 12. Inspection. The commissioner, his deputies or inspectors, are hereby authorized and directed to enforce the provisions of this Act and the rules and regulations promulgated by the board.

"Section 13. Rules and Regulations. (a) The board shall promulgate such rules and regulations and policies as may be necessary for the carrying out of this Act and the enforcement of the provisions herein. The board shall have the authority to promulgate rules and regulations regulating the relationship between private employment agencies and operators and applicants and employers. The board shall have the authority to promulgate rules and regulations establishing a minimum standard of conduct and ethical requirements for the operations of a private employment agency and the functions of the operators.

"(b) The board shall have the authority to establish and

"(b) The board shall have the authority to establish and promulgate a schedule of permissible maximum fees allowed to be charged to applicants by private employment agencies in the performance of their services."

formance of their services.

"(c) The board may promulgate provisions for the issuance of a temporary license for operators to take care of emergency situations and for transfer of a private employment agency license.

"Section 14. Injunction. Any person who shall act as a private employment agency license. "Section 14. Injunction. Any person who shall act as a private employment agent, or who shall conduct an employment office, without first procuring such licenses as required and provided for in this Act may be enjoined from unlawfully pursuing such business or occupation, and the attorney general shall bring suit for such purpose in the name of the State of Texas in Travis County, and the district or county attorney of any county wherein such person engages in such business or conducts an employment office in violation of this Act is hereby authorized to maintain in the proper court of said county a suit in the name of the State of Texas to enjoin and prevent such person from unlawfully pursuing such occupation. In all such cases it shall not be necessary for the attorney bringing suit to verify the pleadings or for the state to execute any bond as a condition precedent to the issuing of any injunction or restraining order hereunder.

"Section 15. Revocation of License. Any license issued under this Act may be revoked by the board upon a finding by the board that the holder of such license has been convicted of violating any of the laws of the United States or of this state including moral turpitude or is guilty of repeatedly violating any of the rules or regulations promulgated by the board; provided however, the holder of such license shall be entitled to notice, and such notice shall contain a statement which will accurately apprise such license holder of that of which he is accused and shall set the time for hearing not sooner than 30 days after the date of mailing of such notice, and such license holder shall be entitled to be

26.

present at the hearing and represented by an attorney. All notices under this section shall be mailed to the last known address of the license holder as reflected in the license holder's file by certified or registered mail.

"Section 16. Appeal. Any person aggrieved by any decision of the coard relating to the issuance, denial, revocation, or failure to renew a license, or by any rule or regulation promulgated by the board, may within 60 days of the date of such decision, file an appeal to the District Court of Travis County, Texas. All such appeals shall be tried de novo and the substantial evidence rule shall not apply

"Section 17 Penalty. Any person who violates any provision of this Act shall be fined not less than \$100 nor more than \$500 and each day of such violations shall be a separate offense.

"Section 18. Disposition of License Fees Collected. The

"Section 18. Disposition of License Fees Collected. The commissioner shall deposit all money received by him from fees under the provisions of this Act, in the state treasury to the credit of the general revenue fund."

credit of the general revenue fund.

Sec. 2. The effective date of this Act shall be September 1, 1969, and thereafter it shall be unlawful for any person to perform the services of a private employment agency as herein defined without first having obtained a private employment agency license as provided for herein and without having a duly licensed operator who is responsible for such operations.

Sec. 3. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

26.

BILL ANALYSIS

BACKGROUND:

The present law which licenses Private Employment Agencies was originally enacted about fourty-six years ago. There have been three minor amendments thereto in the intervening years. The Private Employment Agency Business has grown tremendously with the growth of industry in Texas and as the Private Employment Agency business has grown the inconsistencies and inadequacies of the present law have become more and more pronounced, thereby placing undue burdens on the Commissioner of Labor. H. B. No. 169 has been prepared over the last two years.

PURPOSE OF BILL:

Provides for the creation of the Texas Private Employment Agency Regulatory Board; giving the board certain duties and responsibilities; establishing requirements for the licensing of private employment agency operators and private employment agencies.

SECTION BY SECTION ANALYSIS:

(Note: Section One of this bill amends Article 5221a-6, Vernon's Civil Statutes by adding 18 sections. To avoid confusion the new sections as they would appear in the statute, if amended, are preceded by the notation "Section", while the sections of the bill are preceded by the notation "SECTION".)

SECTION 1: Provides for the addition of the following 18 sections to the present statute.

Section 1: Defines the following terms: "person", "fee", "employer", "Applicant", "Private", "employment agency", "Commissioner", "Deputy or inspector", "operator", and "Board".

Section 2: The provisions of this act do not apply to the following persons or agencies:

- a. Agencies involved in the procurement of public school teachers and administrators.
- b. Any state, federal, or municipal government of this state. c. Anyone operating an employment office in conjunction with his own business and does not charge a fee for such services and the service is operated for the sole purpose of employing help for his own use.
- d. Farmer or stock raiser who act jointly or severally to employ help.
- Persons acting for members of their own family.
- f. Any persons, corporation, or charitable association operating a free employment bureau or agency.
- Veteran's association, organizations or labor unions.
- h. Nurses organizations operating for the purpose of "employing professional service to the public".

 i. "Labor agent" engaged "in the business of procuring common
- laborers or agricultural workers for employees".
 h. Any service "specifically operated to furnish baby-sitters".

Connection 33 may

Section 3: This section designates that the board shall be located in (A) Austin and shall be composed of 9 members appointed by the governor. Qualifications of members of the board are set forth as follows: He must be a citizen of the United States, resident of Texas and/b

Furthermore members shall serve six year terms and no more than one may be a resident of the same senatorial district. Mo more than one may be a resident of the same county. The composition of the board shall be: 1) two persons from an agency of not more than five persons, 2) two persons from an agency of more than five persons, 3) two persons from a franshise agency, and 4) three persons from the public. Compensation for members shally not include a salary but \$25 for each day spent in attending meetings. In addition members were be reimbursed for expenses. attending meetings. In addition, members may be reimbursed for expenses incurred "...while performing their official duties".

Section 4: A License to "maintain and operate a private employment agency" may be secured by a licensed operator for \$150 on an annual basis.

Section 5: This section details the procedure to follow by an applicant in applying for an Operator's License. The qualification for such a licensee are listed.

Section 6: This section describes the information that must be in an application as well as providing the Commissioner with the authority to request additional information.

Section 7: This section details the procedure to be followed in renewing both the agency and operator's license.

Section 8: Provides that a licensee must file a \$5,000 surety bond payable to the State of Texas. In case the licensee injures another person, the latter is entitled to bring suit against the licensee.

Section 9: Provides for the content and administration of the examination which must be taken by every applicate for a license.

Section 10: Provides the Commissioner with the authority to conduct an investigation of each application. Such application must be denied or issued a license within 30 days of the filing date. Also, the applicate is entitled to examine the examination he took 90 days following the date of denial of license.

Section 11: Grandfather Clause

Section 12: Provides the commissioner, his deputies, or inspectors with the authority to enforce the provisions of this act.

Section 13: Gives the board authority to promulgate rules and regulations.

Section 14: Provides for the enjoinging of any party who conducts an employment office without securing proper licenses.

Section 15: Provides that a license may be revoked by the board if the licensee violates any law of the United States or Texas or repeatedly violates any rule promulgated by the board, and if the licensee is given 30 days notice which includes a list of that which he is accused. The accused is entitled to a hearing and may be represented by an attorney.

Section 16: "Any person aggrieved by a decision of the board..." has the right to appeal within 60 days of the said decision.

Section 17: Provides the penalty to be administered to those who violate any provision of this act.

Section 18: All fees collected by the board are to be deposited in the state treasury and be credited to the general revenue fund.

SECTION 2: The effective date of this act is to be September 1, 1969.

SECTION 3: Severability Clause

SECTION 4: Emergency Clause

SUMMARY OF COMMITTEE ACTION:

The Committee on Governmental Affairs and Efficiency repreted the H. B. No. 169 back to the House with the recommendation that it do pass, as amended, and be not printed. The Committee Substituted be printed in lieu of the original bill.

FORM C

(For a favorable report on a bill where a "committee substitute" was recommended by the committee.)

COMMITTEE REPORT

Date 3-17-69

HON. G. F. (GUS) MUTSCHER

Speaker of the House of Representatives.

Sir:

We, your Committee on Governmental Affairs + Efficiency hom was

referred 4. B. No. 169, have had the same under consideration

and beg to report back with recommendation that it do pass, and be not printed.

Committee Substitute was recommended and is to be printed in lieu of the original bill.

Chairman.

(A "committee substitute" in the case of a bill is in the form of two suggested amendments, a new body and a new caption. Under the Rules a committee may authorize the printing of the "committee substitute" in lieu of the original bill. If the original caption is adequate, the "committee substitute" should be only a new body; and in such case the original caption should be printed along with the suggested new body.)

Committee Substitute for H. B. No. 169

Amend H. B. No. 169 by striking all below the enacting clause and substituting in lieu thereof the following:

Section 1. Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended (Article 5221a-6, Vernon's Texas Civil Statutes), is amended to read as follows:

"Section 1. Definitions as used in the Act. (a) The term 'person' means an individual, partnership, association, corpora-The term

tion, legal representative, trustee in bankruptcy, or receiver.

"(b) 'Fee' means anything of value including money or other valuable consideration or services or the promise of any of the foregoing received by an employment agency from any person seeking employment or employers in payment for any service, either

directly or indirectly.

"(c) 'Employer' means any person employing or seeking to

employ any employee.

"(d) 'Applicant' means any person engaging the services of a private employment agency for the purpose of securing employment or any person placed by a private employment agency with an

"(e) 'Private Employment Agency' means any person, place or establishment within this state who for a fee or without a fee offers or attempts, either directly or indirectly, to procure employment for employees or procures or attempts to procure employees for employers, except as hereinafter exempted from the provisions hereof.

"(f) "(f) 'Commissioner' shall mean the Commissioner of the Bureau of Labor Statistics, and he shall administer and enforce the provisions of this Act and the rules and regulations promulgated by the board and in all matters relating to the enforcement of this Act, shall be guided by the instructions and decisions of

the board. "(g)

"(g) 'Deputy or inspector' shall mean any person who is duly authorized by the Commissioner to act in that capacity.

"(h) 'Operator' shall mean the individual or individuals who have the responsibility for the day-to-day management, supervision and conduct of a private employment agency; and an operator may

manage more than one office.

"(i) 'Board' shall mean the Texas Private Employment Agency

Regulatory Board.

unittee Amendment No!

APR 29 1969

, as amende

Chief Clerk ESENTATIVES

40 K. 29. 4.7

"Section 2. Exceptions. The provisions of this Act shall not apply to agencies engaged solely in the procurement of employ ment for public school teachers and administrators; the provisions of this Act shall not apply to any employment agency established and operated by this state, the United States government, or any municipal government of this state; the provisions of this Act shall not apply to any person who may operate a labor bureau or employment office in conjunction with his own business for the sole and exclusive purpose of employing help for his own use within or without this state, nor to any common carrier operating in this state who may operate an employment office in conjunction with his own business for the exclusive purpose of employing help for his own use within or without this state, provided that no fee or other charge or reduction is exacted from the salary or wages of the worker for employment given. If a fee or charge of any kind, either directly or indirectly is exacted of a worker, then said employer is deemed a private employment agency and is subject to the provisions of this Act. The provisions of this Act shall not apply to farmers or stock raisers acting jointly or severally in securing laborers for their own use in this State where no fee is charged or collected, either directly or indirectly for employment given; the provisions of this Act shall not apply to persons acting for members of their own family. The provisions of this Act shall not apply to any person, corporation, or charitable association chartered under the laws of Texas for the purpose of conducting a free employment bureau or agency, nor to any veterans' association or organization or labor union; nor to any nurses' organization operated and conducted by registered nurses for the enrollment of its professional members only for the purpose of providing professional service to the public; the provisions of this Act shall not apply to a labor agency engaged exclusively in the business of procuring common laborers or agricultural workers for employers or any person engaged exclusively in the business of procuring or attempting to procure jobs for common laborers or agricultural workers. "Section 3. Creation and Composition of the Board. (a) The

Texas Private Employment Agency Regulatory Board is hereby created. Its main office is in Austin, at the location of the office of the

commissioner.

"(b) The board is composed of nine members appointed by the

Governor with the advice and consent of the Senate.

"(c) To be qualified for appointment as a mem To be qualified for appointment as a member of the a person must be a citizen of the United States and a resident of Texas and shall have been actively engaged in the private employment agency business as an operator owning an interest in a private employment agency in the State of Texas for a period of

five years next preceding the date of his appointment.

"(d) No more than one member of the Board may be from any one senatorial district and no more than the member of the Board may the from the same county. Further, the board shall be composed of these members who at the time of their appointment operate an agency in which not more than five persons are engaged in the operations thereof and such agency is not, directly or indirectly, a part of a multiple office or franchise operation; three members who at the time of their appointment operate an agency in which more than five persons are engaged in the operation thereof and such agency is not, directly or indirectly, a part of a multiple office or franchise operation; three members who at the time of their appointment operate an agency which is either a part of a multiple office operation or of a franchise operation, but not more than one person from any one such multiple office or franchise operation may serve on the board simultaneously, 7 The appointments shall be so made that the term of one from each of the above described groups shall expire each two years. For the purpose of this section agencies belonging or subscribing to a referral system shall not be considered as a multiple office or franchise operation because of such membership in or subscription to such referral service.

-2-

The queble who have

Members of the board shall hold office for six years and until their successors are appointed and have qualified; provided however, that a member's appointment shall automatically terminate in the event such member shall cease owning an interest in a private employment agency during the term of the appointment. The first board hereunder shall be appointed on the following basis: one-third of the members of the board for two years, one-third of the members for four years and one-third of the members

for six years.
"(f) Mem "(f) Members of the board qualify by taking the constitutional oath of office before an officer authorized to administer oaths in this state. When a board member presents his oath of office and the certificate of his appointment to the Secretary of State, the Secretary of State shall issue a commission to him. commission from the Secretary of State is evidence of authority to

act as a member of the board.

"(g) The board shall formally elect a chairman and secretary-treasurer from its members. The board may adopt rules

necessary for the orderly conduct of its business.

"(h) Six members of the board constitutes a quorum for the transaction of business and may act for the board. The board shall adopt a seal. The board shall prepare and preserve minutes and

other records of its proceedings and action.

"(i) Members of the board do not receive a salary for their services but each member is entitled to \$25 for each day spent in attending meetings of the board, including time spent in travel to and from the meetings, not to exceed \$500 a year. Members of the board are also entitled to be reimbursed for travel and other necessary expenses incurred while performing their official duties if the expenses are evidenced by voucher approved by the chairman

or secretary-treasurer of the board.

"Section 4. Applications for License to Maintain and Operate a Private Employment Agency. Applications for license to maintain and operate a private employment agency shall be made by a licensed operator and shall be accompanied by a fee of \$150. Separate applications shall be made for each unit or location where a private employment agency is to be operated and for which a license is sought. Each license shall expire on August 31 of each year and shall be renewable as hereinafter provided. The commissioner shall allow credit for any unused portion of the licenses outstanding on the effective date hereof.

"Section 5. Application for License as an Operator. Application for a license as an operator may be made by and shall be issued to any person who (1) is a citizen of the United States, (2) has been a resident of the State of Texas for one year next preceding the filing of said application, (3) is of good moral character, (4) has never been convicted of an offense involving moral turpitude, and (5) successfully passes the examination prescribed herein.

"(b) The application shall be accompanied by the annual license fee of \$15 plus an examination fee of \$25. In the event the examination is not passed, the \$15 fee shall be refunded but the \$25 shall not. All operators licenses shall expire on August 31st of each year.

"Section 6. Application Forms. All applications for a license hereunder shall be made upon forms provided by the Bureau of Labor Statistics and shall state such information as the board

and the commissioner may require, which shall include affirmative evidence of ability to comply with reasonable standards, rules, and regulations as are lawfully prescribed hereunder.

regulations as are lawfully prescribed hereunder.

"Section 7. Renewal of Licenses. (a) A private employment agency license may be renewed annually by the operator thereof filing an application upon the forms provided and the payment of a \$150 renewal fee.

"(b) An operator's license may be renewed annually by the operator by the filing of application for renewal upon forms provided for such renewal and the payment of \$15 renewal fee.

"Section 8. Bond. Each applicant for a private employment agency license or renewal shall, before such license is issued, make and file with the Commissioner a good and sufficient bond executed by the applicant with good and sufficient surety in the penal sum of \$5,000 payable to the State of Texas; said bond shall be conditioned that the obligor will not violate any of the duties, terms, conditions, and requirements of this Act, and that the principal, his agents or representatives will not make any false representation or statement to any person soliciting assistance from him for employees or employment, or solicited by him to accept employment. Said bond is to further recite that any person injured or aggrieved by any false or fraudulent statement of such agent, his subfagent or representatives, or any violation of any provision of this Act thereof by such agent, subfagent or representative, shall be entitled to bring suit thereon. Provided, however, that one such bond shall suffice where the same person shall make application for more than one office.

"Section 9. Examinations. (a) The examination for an operator's license shall be prepared by the board and shall cover the laws and regulations relating to the operations of a private employment agency, the laws relating to discrimination in employment and related to labor legislation, and general matters related to the management and operation of a private employment agency. The questions for such examination shall be taken from a list of questions which shall have been furnished to the individual taking such examination together with a form of acceptable answers thereto upon request.

upon request.

"(b) All examinations required by this Act shall be given at such times and places as the board may direct, provided however, such examinations shall be given at least every 60 days.

"Section 10. The commissioner, upon receiving an application for any type of license, shall inspect or cause to be inspected said application and shall make such investigation as may be necessary to determine that the applicant is qualified; provided however, that all applications must be accepted and approved, or a date set for examination, or rejected, as the case may be, within 30 days of the date of filing thereof. In the event of examination being necessary, the license shall be issued or denied within 30 days of the taking of said examination. Any applicant, upon request to the commissioner, may see his examination papers within 90 days immediately following the announcement of the date a license has been denied to him as a result of his having failed his examination.

"Section 11. Grandfather Clause. All private employment agencies in business and operating and holding a license as a private employment agent on Sept. 1, 1969, shall be entitled to be

1*229

licenses under this Act, and all individuals functioning as an operator of a private employment agency holding a license from the State of Texas on September 1, 1969, shall be entitled to receive a license as an operator under this Act, upon filing an application upon a form provided, and upon payment of the fee as prescribed herein, without meeting the examination requirements of Section 5

"Section 12. Inspection. The commissioner, his deputies or inspectors, are hereby authorized and directed to enforce the provisions of this Act and the rules and regulations promulgated by

"Section 13. Rules and Regulations. (a) The board shall promulgate such rules and regulations and policies as may be necessary for the carrying out of this Act and the enforcement of the provisions herein. The board shall have the authority to promulgate rules and regulations regulating the relationship between private employment agencies, and operators and applicants and employers, The board shall have the authority to establish and promulgate a schedule of permissible maximum fees allowed to be charged to applicants by private employment agencies in the performance of their services. (b) The b

'(b) The board may promulgate provisions for the issuance of a temporary license for operators for emergency situations and for

transfer of a private employment agency license.

"(c) All board meetings considering any of the matters contained in this section shall be held only after notice of such meeting and the matters to be considered therat have been given to every license holder by mail at least ten (10) days prior to the date of hearing.

(d) No employer seeking employees, and no person seeking employment, shall knowingly make any false statement or conceal any material facts for the purpose of obtaining employees, or employment by or through

any Frivate Employment Agency.

" The board shall promulgate such rules and regulations as may be necessary to implement and carry out the intent and purpose of this subsection.

"Section 14. Injunction. Any person who shall operate a private employment agency, or who shall conduct an employment office, without first procuring such licenses as required and provided for in this Act may be enjoined from unlawfully pursuing such business or occupation, and the attorney general shall bring suit for such purpose in the name of the State of Texas in Travis County, and the district or county attorney of any county wherein such person engages in such business or conducts an employment office in violation of this Act is hereby authorized to maintain in the proper tion of this Act is hereby authorized to maintain in the proper court of said county a suit in the name of the State of Texas to enjoin and prevent such person from unlawfully pursuing such occu-In all such cases it shall not be necessary for the attorney bringing suit to verify the pleadings or for the state to execute any bond as a condition precedent to the issuing of any

injunction or restraining order hereunder.

"Section 15. Revocation of License. Any license issued under this Act may be revoked by the board upon a finding by the board that the holder of such license has been convicted of violating any of the laws of the United States or of this state involving moral turpitude or is guilty of repeatedly violating any of the rules or resulations promulsated by the board, provided however rules or regulations promulgated by the board; provided however, the holder of such license shall be entitled to notice, and such notice shall contain a statement which will accurately apprise such license holder of that of which he is accused and shall set the time for hearing not sooner than 30 days after the date of mailing of such notice, and such license holder shall be entitled to be

present at the hearing and represented by an attorney. All notices under this section shall be mailed to the last known address of the All notices license holder as reflected in the license holder's file by certi-

fied or registered mail.

"Section 16. Appeal. Any person aggrieved by any decision of the board relating to the issuance, denial, revocation, or failure to renew a license, or by any rule or regulation promulgated by the board, may within 60 days of the date of such decision, file an appeal to the District Court of Travis County, Texas. All such appeals shall be tried de novo and the substantial evidence rule

shall not apply.

"Section 17. Penalty. From and after the effective date hereof it shall be unlawful for any person to engage in the private employment agency business as herein defined without having first complied with all of the requirements hereof and any person who violates or fails to so comply with the provisions hereof shall be guilty of a misdemeanor and shall be fined not less than \$100 nor more than \$500 or by imprisonment of not more than 6 months or by both such fine and imprisonment. Each day of such violation shall constitute a seperate offense.

"Section 18. Disposition of License Fees Collected. commissioner shall deposit all money received by him from fees under the provisions of this Acto in the state treasury to the

credit of the general revenue fund."

The effective date of this Act shall be September 1, Sec. 2. 1969, and thereafter it shall be unlawful for any person to perform the services of a private employment agency as herein defined with-out first having obtained a private employment agency license as provided for herein and without having a duly licensed operator who is responsible for such operations.

Sec. 3. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are

declared to be severable.

Sec. 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each House be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Committee Substitute for H. B. No. 169

Committee Amendment No. 2

Amend H. B. No. 169 by striking all above the enacting clause and substituting in lieu thereof the following:

Committee

A BILL TO BE ENTITLED

AN ACT

creating the Texas Private Employment Agency Regulatory Board; giving the board certain duties and responsibilities; establishing certain requirements for the licensing of private employment agencies and private employment agency operators; amending Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended (Article 5221a-6, Vernon's Texas Civil Statutes); providing severability of this Act; repealing all laws in conflict; and declaring an emergency.

ENACTED BY THE LEGISLATURE OF THE STATE OF

Pa 4-29-69

Pa 4-29-69

Pa 5-29-69

Floyd amend Committee amendment No. 1 top H B 169 by eliminations the period after the word "employers" on line 7 of Section 13 and inserting the following: > provided that such rules and regulations shall contain a provision that it shall be unlawful for any private employment agency to rebate to any employer a portion of any fee received from the applicant, and further that each violation shall constitute a separate offense, and that the fine for the violation of such provision shall not be less than 250.

APR 29 1969

READ AND ADORTED

HOUSE OF REPRESENTATIVES

\$4.29.69

A BILL TO BE ENTITLED AN ACT

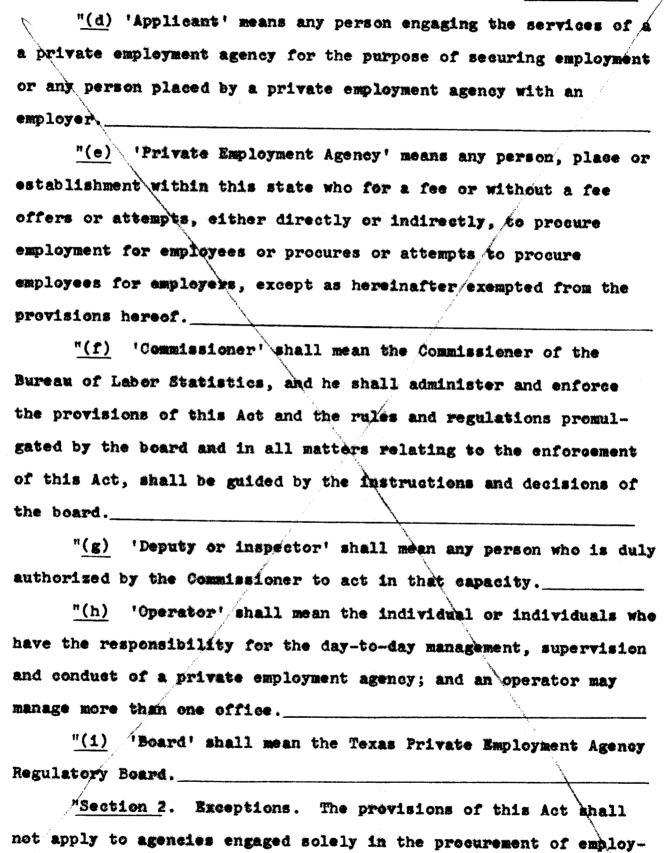
creating the Texas Private Employment Agency Regulatory Board; giving the board certain duties and responsibilities; establishing certain requirements for the licensing of private employment agencies and private employment agency operators; amending Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended (Article 5221a-6, Vernon's Texas Civil Statutes); providing severability of this Act; repealing all laws in conflict; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Section 1.	Chapter	245, Acts of the	51st Legislature,
Regular Session,	1949, as	amended (Article	5221a-6, Vernon's Texas
Civil Statutes),	is amende	ed to read as foll	Lows:

"Section 1. Definitions as used in the Act. (a) The term 'person' means an individual, partnership, association, corporation, legal representative, trustee in bankruptcy, or receiver.

- "(b) 'Fee' means anything of value including money or other valuable consideration or services or the promise of any of the foregoing received by an employment agency from any person seeking employment or employers in payment for any service, either directly or indirectly.
- "(c) 'Employer' means any person employing or seeking to employ any employee.



ment for public school teachers and administrators; the provisions

of this Act shall not apply to any employment agency established and operated by this state, the United States government, or any municipal government of this state; the provisions of this Act shall not apply to any person who may operate a labor bureau or employment office in conjunction with his own business for the sole and exclusive purpose of employing help for his own use within or without this state, nor to any common carrier operating in this state who may operate an employment office in conjunction with his own business for the exclusive purpose of employing help for his own use within or without this state, provided that no fee or other charge or reduction is exected from the salary or wages of the worker for employment given. If a fee or charge of any kind, either directly or indirectly is exacted by a worker, then said employer is deemed a private employment agency and is subject to the provisions of this Act / The provisions of this Act shall not apply to farmers or stock raisers acting jointly or severally in securing laborers for their own use in this State where no fee is charged or collected, either directly or indirectly for employment given; the provisions of this Act shall not apply to persons acting for members of their own family. The provisions of this Act shall not apply to any person, corporation, or charitable association chartered under the laws of Texas for the purpose of conducting a free employment bureau or agency, nor to any veterans' association or organization or labor union; nor to any nurses' organization

operated and conducted by registered nurses for the enrollment of its professional members only for the purpose of providing professional service to the public; the provisions of this Act shall not apply to a labor agency engaged exclusively in the business of procuring common laborers or agricultural workers for employers or any person engaged exclusively in the business of procuring or attempting to procure jobs for common laborers or agricultural workers.

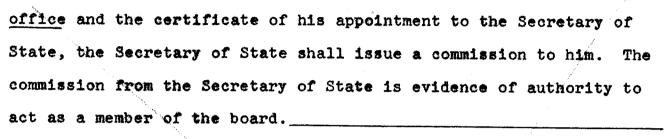
"Section 3. Creation and Composition of the Board. (a) The Texas Private Employment Agency Regulatory Board is hereby created. Its main office is in Austin, Texas, at the location of the office of the commissioner.

- "(b) The board is composed of nine members appointed by the Governor with the advice and consent of the Senate._____
- "(c) To be qualified for appointment as a member of the board, a person must be a citizen of the United States and a resident of Texas and shall have been actively engaged in the private employment agency business as an operator owning an interest in a private employment agency in the State of Texas for a period of five years next preceding the date of his appointment.
- "(d) No more than one member of the Board may be from any one senatorial district and no more than one member of the Board may be from the same county. Further, the board shall be composed of two members who at the time of their appointment operate an agency in which not more than five persons are engaged in the operations thereof and such agency is not, directly or indirectly, a part of a multiple office or franchise operation; two members who

at the time of their appointment operate an agency in which more than five persons are engaged in the operation thereof and such agency is not, directly or indirectly, a part of a multiple office or franchise operation; two members who at the time of their appointment operate an agency which is either a part of a multiple office operation or of a franchise operation, but not more than one person from any one such multiple office or franchise operation may serve on the board simultaneously. Three members from the public who have no connection, directly or indirectly, with any employment agency and who have no prejudice against private employment agencies. For the purpose of this section agencies belonging or subscribing to a referral system shall not be considered as a multiple office or franchise operation because of such membership in or subscription to such referral service.

"(e) Members of the board shall hold office for six years and until their successors are appointed and have qualified; provided however, that a member's appointment shall automatically terminate in the event such member shall cease owning an interest in a private employment agency during the term of the appointment. The first board hereunder shall be appointed on the following basis: one-third of the members of the board for two years, one-third of the members for four years and one-third of the members for six years.

"(f) Members of the board qualify by taking the constitutional oath of office before an officer authorized to administer oaths in this state. When a board member presents his oath of



- "(g) The board shall formally elect a chairman and secretary-treasurer from its members. The board may adopt rules necessary for the orderly conduct of its business.
- "(h) Six members of the board constitutes a quorum for the transaction of business and may act for the board. The board shall adopt a seal. The board shall prepare and preserve minutes and other records of its proceedings and action.
- "(1) Members of the board do not receive a salary for their services but each member is entitled to \$25 for each day spent in attending meetings of the board, including time spent in travel to and from the meetings, not to exceed \$500 a year. Members of the board are also entitled to be reimbursed for travel and other necessary expenses incurred while performing their official duties if the expenses are evidenced by voucher approved by the chairman or secretary-treasurer of the board.

"Section 4. Applications for License to Maintain and Operate a Private Employment Agency. Applications for license to maintain and operate a private employment agency shall be made by a licensed operator and shall be accompanied by a fee of \$150. Separate applications shall be made for each unit or location where a private employment agency is to be operated and for which a license is sought. Each license shall expire on August 31 of each year_____

and shall be	e renewable	as hereinafter provided.	The commissioner
shall allow	credit for	any unused portion of the	licenses out-
standing on	the effect	ve date hereof	

"Section 5. Application for License as an Operator.

(a) Application for a license as an operator may be made by and shall be issued to any person who (1) is a citizen of the United States, (2) has been a resident of the State of Texas for one year next preceding the filing of said application, (3) is of good moral character, (4) has never been convicted of an offense involving moral turpitude, and (5) successfully passes the examination precribed herein.

"(b) The application shall be accompanied by the annual license fee of \$15 plus an examination fee of \$25. In the event the examination is not passed, the \$15 fee shall be refunded but the \$25 shall not. All operators' licenses shall expire on August 31st of each year.

"Section 6. Application Forms. All applications for a license hereunder shall be made upon forms provided by the Bureau of Labor Statistics and shall state such information as the board and the commissioner may require, which shall include affirmative evidence of ability to comply with reasonable standards, rules, and regulations as are lawfully prescribed hereunder.

"Section 7. Renewal of Licenses. (a) A private employment agency license may be renewed annually by the operator thereof filing an application upon the forms provided and the payment of a \$150 renewal fee.

"(b) An operator's license may be renewed annually by the operator by the filing of application for renewal upon forms provided for such renewal and the payment of \$15 renewal fee.

"Section 8. Bond. Each applicant for a private employment agency license or renewal shall, before such license is issued, make and file with the Commissioner a good and sufficient bond executed by the applicant with good and sufficient surety in the penal sum of \$5,000 payable to the State of Texas; said bond shall be conditioned that the obligor will not violate any of the duties, terms, conditions, and requirements of this Act, and that the principal, his agents or representatives will not make any false representation or statement to any person soliciting assistance from him for employees or employment, or solicited by him to accept employment. Said bond is to further recite that any person injured or aggrieved by any false or fraudulent statement of such agent, his subagent or representatives, or any violation of any provision of this Act thereof by such agent, subagent or representative, shall be entitled to bring suit thereon. Provided, however, that one such bond shall suffice where the same person shall make application for more than one office.__

"Section 9. Examinations. (a) The examination for an operator's license shall be prepared by the board and shall cover the laws and regulations relating to the operations of a private employment agency, the laws relating to discrimination in employment and related to labor legislation, and general matters related to the management and operation of a private employment agency.

The questions for such examination shall be taken from a list of

questions which shall have been furnished to the individual taking such examination together with a form of acceptable answers thereto upon request.

"(b) All examinations required by this Act shall be given at such times and places as the board may direct, provided however, such examinations shall be given at least every 60 days.

"Section 10. The commissioner, upon receiving an application for any type of license, shall inspect or cause to be inspected said application and shall make such investigation as may be necessary to determine that the applicant is qualified; provided however, that all applications must be accepted and approved, or a date set for examination, or rejected, as the case may be, within 30 days of the date of filing thereof. In the event of examination being necessary, the license shall be issued or denied within 30 days of the taking of said examination. Any applicant, upon request to the commissioner, may see his examination mapers within 90 days immediately following the announcement of the date a license has been denied to him as a result of his having failed his examination.

"Section 11. Grandfather Clause. All private employment agencies in business and operating and holding a license as a private employment agent on September 1, 1969, shall be entitled to be licensed under this Act, and all individuals functioning as an operator of a private employment agency holding a license from the State of Texas on September 1, 1969, shall be entitled to receive a license as an operator under this Act, upon filing an application upon a form provided, and upon payment of the fee as prescribed



herein, without meeting the examination requirements of Section 5 hereof.

"Section 12. Inspection. The commissioner, his deputies or inspectors, are hereby authorised and directed to enforce the provisions of this Act and the rules and regulations promulgated by the board.

"Section 13. Rules and Regulations. (a) The board shall promulgate such rules and regulations and policies as may be necessary for the carrying out of this Act and the enforcement of the provisions herein. The board shall have the authority to promulgate rules and regulations regulating the relationship between private employment agencies, and operators and applicants and employers, provided that such rules and regulations shall contain a provision that it shall be unlawful for any private employment agency to rebate to any employer a portion of any fee received from the applicant, and further that each violation shall constitute a separate offense, and that the fine for the violation of such provision shall not be less than \$250. The board shall have the authority to establish and promulgate a schedule of permissible maximum fees allowed to be charged to applicants by private employment agencies in the performance of their services.

- "(b) The board may promulgate provisions for the issuance of a temporary license for operators for emergency situations and for transfer of a private employment agency license.
- "(c) All beard meetings considering any of the matters contained in this section shall be held only after notice of such meeting and the matters to be considered thereat have been given

to	every	license	holder	bу	mail	at	least	ten	(10)	days	prior	to the
/										·	~	
dat	e of	hearing.										<u> </u>

employment, shall knowingly make any false statement or conceal any material facts for the purpose of obtaining employees, or employment by or through any private employment agency.

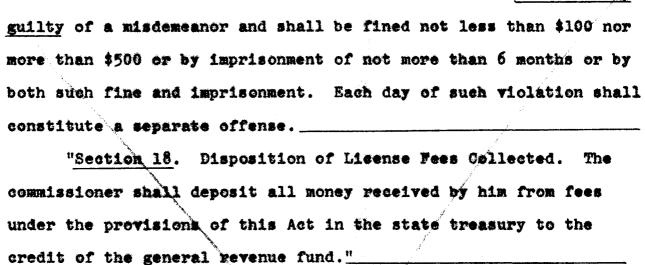
"The board shall promulgate such rules and regulations as may be necessary to implement and carry out the intent and purpose of this subsection.

"Section 14. Injunction. Any person who shall operate a private employment agency, or who shall conduct an employment office, without first procuring such licenses as required and provided for in this Act may be enjoined from unlawfully pursuing such business or occupation, and the attorney general shall bring suit for such purpose in the name of the State of Texas in Travis County, and the district or county attorney of any county wherein such person engages in such business or conducts an employment office in violation of this Act is hereby authorized to maintain in the proper court of said county a suit in the name of the State of Texas to enjoin and prevent such person from unlawfully pursuing such occupation. In all such cases it shall not be necessary for the attorney bringing suit to verify the pleadings or for the state to execute any bond as a condition precedent to the issuing of any injunction or restraining order hereunder.

"Section 15. Revocation of License. Any license issued under this Act may be revoked by the board upon a finding by the board that the holder of such license has been convicted of violating any of the laws of the United States or of this state involving moral turpitude or is guilty of repeatedly violating any of the rules or regulations promulgated by the board; provided however, the holder of such license shall be entitled to notice, and such notice shall contain a statement which will accurately apprise such license holder of that of which he is accused and shall set the time for hearing not sooner than 30 days after the date of mailing of such notice, and such license holder shall be entitled to be present at the hearing and represented by an attorney. All notices under this section shall be mailed to the last known address of the license holder as reflected in the license holder's file by certified or registered mail.

"Section 16. Appeal. Any person aggrieved by any decision of the board relating to the issuance, denial, revocation, or failure to renew a license, or by any rule or regulation promulgated by the board, may within 60 days of the date of such decision, file an appeal to the District Court of Travis County, Texas. All such appeals shall be tried de neve and the substantial evidence rule shall not apply.

"Section 17. Fenalty. From and after the effective date hereof it shall be unlawful for any person to engage in the private employment agency business as herein defined without having first complied with all of the requirements hereof and any person who violates or fails to so comply with the provisions hereof shall be



- Sec. 2. The effective date of this Act shall be September 1, 1969, and thereafter it shall be unlawful for any person to perform the services of a private employment agency as herein defined without first having obtained a private employment agency license as provided for herein and without having a duly licensed operator who is responsible for such operations.
- Sec. 3. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.
- Sec. 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and this Rule is hereby suspended, and that this Act take

H.B. No. 169

effect and be in force from and after its passage, and it is so enacted.

44 14	Austin,	Texas	
MAY 20, 1969	MA	14 20	

Jog W

Honorable Ben Barnes
President of the Senate

Sir:

We, your Committee on State Affails.

to which was referred H. B. No. 169, have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the committee Substitute adopted in lieu thereof do pass and be printed.

Chairman

Moder

COMMITTEE SUBSTITUTE FOR H.B. No. 169

amendment 1

345678

9

10

11 12

13

16

18 19

20 21

22

23 24

25

26

27 28 29

30

38 39

40

41

43

44

45 46

48 49

51

A BILL TO BE ENTITLED

AN ACT

creating the Texas Private Employment Agency Regulatory Board; giving the board certain duties and responsibilities; establishing certain requirements for the licensing of private employment agencies and private employment agency operators; amending Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended (Article 5221a-6, Vernon's Texas Civil Statutes); providing for severability; and declaring an emergency.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

Chapter 245, Acts of the 51st Legislature, Section 1. Regular Session, 1949, as amended (Article 5221a-6, Vernon's Texas Civil Statutes), is amended to read as follows:

"Section 1. Definitions as used in the Act. (a) The term 'person' means an individual, partnership, association, corpora-

tion, legal representative, trustee in bankruptcy, or receiver.
"(b) 'Fee' means anything of value including money or other valuable consideration or services or the promise of any of the foregoing received by an employment agency from any person seeking employment or employers in payment for any service, either directly or indirectly.

"(c) 'Employer' means any person employing or seeking to

employ any employee.
"(d) 'Applica "(d) 'Applicant' means any person engaging the services of a private employment agency for the purpose of securing employment or any person placed by a private employment agency with an employer.

"(e) 'Private Employment Agency' means any person, place or

establishment within this state who for a fee or without a fee offers or attempts, either directly or indirectly, to procure employment for employees or procures or attempts to procure employees for employers, except as hereinafter exempted from the provisions hereof.

'Commissioner' shall mean the Commissioner of the Bureau of Labor Statistics, and he shall administer and enforce the provisions of this Act and the rules and regulations promulgated by the board and in all matters relating to the enforcement of this Act, shall be guided by the instructions and decisions of the board.

"(g) 'Deputy or inspector' shall mean any person who is duly

authorized by the commissioner to act in that capacity.
"(h) 'Operator' shall mean the individual or ind 'Operator' shall mean the individual or individuals who have the responsibility for the day-to-day management, supervision and conduct of a private employment agency; and an operator may manage more than one office.

ADOPTED

MAY 24 1969

CR 5-29-69

MAY 24 1969

Lively Schurbly

SECRETARY OF SENATE

1-2929

"(i) 'Board' shall mean the Texas Private Employment Agency Regulatory Board.

"Section 2. The provisions of this Act shall Exceptions. not apply to agencies engaged solely in the procurement of employment for public school teachers and administrators; the provisions of this Act shall not apply to any employment agency established and operated by this state, the United States government, or any municipal government of this state; the provisions of this Act) shall not apply to any person who may operate a labor bureau or employment office in conjunction with his own business for the sole and exclusive purpose of employing help for his own use within or without this state, nor to any common carrier operating in this state who may operate an employment office in conjunction with his own business for the exclusive purpose of employing help for his own use within or without this state, provided that no fee or other charge or reduction is exacted from the salary or wages of the worker for employment given. If a fee or charge of any kind, either directly or indirectly is exacted from a worker, then said employer is deemed a private employment agency and is subject to the provisions of this Act. The provisions of this Act shall not apply to farmers or stock raisers acting jointly or severally in securing laborers for their own use in this state where no fee is charged or collected, either directly or indirectly for employment given; the provisions of this Act shall not apply to persons acting for members of their own family. The provisions of this Act shall The provisions of this Act shall not apply to any person, corporation, or charitable association chartered under the laws of Texas for the purpose of conducting a free employment bureau or agency, nor to any veterans' association or organization or labor union; nor to any nurses' organization operated and conducted by registered nurses for the enrollment of its professional members only for the purpose of providing professional service to the public; the provisions of this Act shall not apply to a labor agency engaged exclusively in the business of procuring common laborers or agricultural workers for employers or any person engaged exclusively in the business of procuring or attempting to procure jobs for common laborers or agricultural workers; the provisions of this Act shall not apply to any person conducting a business which consists of employing individuals directly for the purpose of furnishing part-time or temporary help to others.

"Section 3. Creation and Composition of the Board. (a) The Texas Private Employment Agency Regulatory Board is hereby created. Its main office is in Austin, Texas, at the location of the office of the commissioner.

of the commissioner.

"(b) The board is composed of nine members appointed by the governor with the advice and consent of the Senate.

"(c) To be qualified for appointment as a member of the board, a person must be a citizen of the United States and a resident of Texas and shall have been actively engaged in the private employment agency business as an operator owning an interest in a private employment agency in the State of Texas for a period of five years next preceding the date of his appointment.

"(d) No more than two members of the board may be from any one senatorial district and no more than two members of the board may be from the same county. Further, the board shall be composed of three members who at the time of their appointment operate an agency in which not more than eight persons are engaged in the operations thereof and such agency is not, directly or indirectly.

55 1**-**292956

2

8

10 11

12

13 14

15

16

17

18 19 20

21 22

23

24

25

26 27 28

29

30

31 32 33

34

35

37

38

39

41

42

43

44

45 46

47

48

49 50

a part of a multiple-office or franchise operation; three members who at the time of their appointment operate an agency in which more than eight persons but not more than 25 persons are engaged in the operation thereof and such agency is not, directly or indirectly, a part of a multiple-office or franchise operation; three members who at the time of their appointment operate an agency which is a single-office operation in which more than 25 persons are engaged in the operation thereof, or is either a part of a multiple-office operation or of a franchise operation, but not more than one person from any one such multiple-office or franchise operation may serve on the board simultaneously. For the purpose of this section agencies belonging or subscribing to a referral system shall not be considered as a multiple-office or franchise operation because of such membership in or subscription to such referral service.

"(e) Except for the initial appointees, the members of the board hold office for terms of six years, with the terms of three members expiring on January 31 of each odd-numbered year. In making the initial appointments, the governor shall designate three for terms expiring on January 31, 1971, three for terms expiring on January 31, 1973, and three for terms expiring on January 31, 1975. The governor shall make the appointments in such a way that the term of one member from each of the three categories described in Subsection (d) of this section expires every two years. If any member of the board ceases to own an interest in a private employment agency, he automatically vacates his office, which shall be filled by appointment as in the case of other vacancies.

"(f) Members of the board qualify by taking the constitutional oath of office before an officer authorized to administer oaths in this state. When a board member presents his oath of office and the certificate of his appointment to the secretary of state, the secretary of state shall issue a commission to him. The commission from the secretary of state is evidence of authority to

act as a member of the board.

"(g) The board shall formally elect a chairman and secretary-treasurer from its members. The board may adopt rules necessary for the orderly conduct of its business.

necessary for the orderly conduct of its business.

"(h) Six members of the board constitute a quorum for the transaction of business and may act for the board. The board shall adopt a seal. The board shall prepare and preserve minutes and

other records of its proceedings and action.

"(i) Members of the board do not receive a salary for their services but each member is entitled to \$25 for each day spent in attending meetings of the board, including time spent in travel to and from the meetings, not to exceed \$500 a year. Members of the board are also entitled to be reimbursed for travel and other necessary expenses incurred while performing their official duties if the expenses are evidenced by voucher approved by the chairman or secretary-treasurer of the board.

"Section 4. Applications for License to Maintain and Operate a Private Employment Agency. Applications for license to maintain and operate a private employment agency shall be made by a licensed operator and shall be accompanied by a fee of \$150. Separate applications shall be made for each unit or location where a private employment agency is to be operated and for which a license is

sought. Each license shall expire on August 31 of each year and shall be renewable as hereinafter provided. The commissioner shall allow credit for any unused portion of the licenses outstanding on the effective date hereof.

"Section 5. Application for License as an Operator.

(a) Application for a license as an operator may be made by and shall be issued to any person who (1) is a citizen of the United States, (2) has been a resident of the State of Texas for one year next preceding the filing of said application, (3) is of good moral character, (4) has never been convicted of an offense involving moral turpitude, and (5) successfully passes the examination prescribed herein.

"(b) The application shall be accompanied by the annual license fee of \$15 plus an examination fee of \$25. In the event the examination is not passed, the \$15 fee shall be refunded but the \$25 shall not. All operators' licenses shall expire on August 31st of each year.

"Section 6. Application Forms. All applications for a license hereunder shall be made upon forms provided by the Bureau of Labor Statistics and shall state such information as the board and the commissioner may require, which shall include affirmative evidence of ability to comply with reasonable standards, rules, and regulations as are lawfully prescribed hereunder.

"Section 7. Renewal of Licenses. (a) A private employment agency license may be renewed annually by the operator thereof filing an application upon the forms provided and the payment of a \$150 renewal fee.

"(b) An operator's license may be renewed annually by the operator by the filing of application for renewal upon forms provided for such renewal and the payment of \$15 renewal fee.

"Section 8. Bond. Each applicant for a private employment

"Section 8. Bond. Each applicant for a private employment agency license or renewal shall, before such license is issued, make and file with the commissioner a good and sufficient bond executed by the applicant with good and sufficient surety in the penal sum of \$5,000 payable to the State of Texas; said bond shall be conditioned that the obligor will not violate any of the duties, terms, conditions, and requirements of this Act, and that the principal, his agents or representatives will not make any false representation or statement to any person soliciting assistance from him for employees or employment, or solicited by him to accept employment. Said bond is to further recite that any person injured or aggrieved by any false or fraudulent statement of such agent, his subagent or representatives, or any violation of any provision of this Act thereof by such agent, subagent or representative, shall be entitled to bring suit thereon. Provided, however, that one such bond shall suffice where the same person shall make application for more than one office.

"Section 9. Examinations. (a) The examination for an operator's license shall be prepared by the board and shall cover the laws and regulations relating to the operations of a private employment agency, the laws relating to discrimination in employment and related to labor legislation, and general matters related to the management and operation of a private employment agency. The questions for such examination shall be taken from a list of

questions which shall have been furnished to the individual taking such examination together with a form of acceptable answers thereto

upon request.6)
(b) All examinations required by this Act shall be given at such times and places as the board may direct, provided, however,

such examinations shall be given at least every 60 days.

"Section 10. Processing of Applications. The commissioner, upon receiving an application for any type of license, shall inspect or cause to be inspected said application and shall make such investigation as may be necessary to determine that the applicant is qualified; provided, however, that all applications must be accepted and approved, or a date set for examination, or rejected, as the case may be, within 30 days of the date of filing thereof. In the event of examination being necessary, the license shall be issued or denied within 30 days of the taking of said examination. Any applicant, upon request to the commissioner, may see his examination papers within 90 days immediately following the announcement of the date a license has been denied to him as a

result of his having failed his examination.
"Section 11. Grandfather Clause. All All private employment agencies in business and operating and holding a license as a private employment agent on September 1, 1969, shall be entitled to be licensed under this Act, and all individuals functioning as an operator of a private employment agency holding a license from the State of Texas on September 1, 1969, shall be entitled to receive a license as an operator under this Act, upon filing an application before December 1, 1969, upon a form provided, and upon payment of the fee as prescribed herein, without meeting the examination

requirements of Section 5 hereof.

"Gration 12 Inspection. The commissioner, his deputies or inspectors, are hereby authorized and directed to enforce the provisions of this Act and the rules and regulations promulgated by

Marketton 13. Rules and Regulations. (a) The board 1s/ anthorized to establish and promilgate a schedule of permissible maximum kees allowed to be charged to applicants by private/ employment agencies in the market private employment agencies in the performance of their services.

"(b) The board may promulgate provisions for the issuance of a temporary license for operators for emergency situations and for transfer of a private employment agency.

"(c) No employer seeking employees, and no person seeking employment, shall knowingly make any false statement or conceal any material facts for the nurnose of obtaining employees. or

employment, shall knowingly make any false statement or concess any material facts for the purpose of obtaining employees, or employment by or through any private employment agency.

"The Board shall promulgate such rules and regulations as may be necessary to implement and carry out the intent and purpose of this subjection.

"(d) The board is authorized to promulgate rules and regulations concerning the keeping of business records and issuance of receipts by private employment agencies.

issuance of receipts by private employment agencies.

"(e) The board is authorized to promulgate rules and regulations concerning advertisements by private employment agencies by means or cards, circulars, sighs or in newspapers, or other publications; provided, however, that the board is not authorized to prohibit advertising.

"(f) The board is authorized to make rules and regulations so as to prohibit private employment agencies from: (1) publishing or causing to be published any false of misleading advertisement or notice relating to their employment agency: (2) the giving of or notice relating to their employment agency; (2) the giving of any false information or the making of any false representation concerning employment to any applicant for employment; (3) sending out an applicant for employment to any prospective employer without first having obtained a bona fide order from such prospective employer; (4) dividing or affering to divide, directly or indirectly, any fee charged or received with any person who secures workers through such agency, or to whom workers are referred by such agency; (5) sending any person to a prospective employer who is conducting a ylockout" against all or part of his employees; or whose employees; or a part of them are out on strike, without first apprising said person of the existence of said "lockout" or strike; (6) charging applicants for administering to them any psychological, personality, or aptitude tests.

"(g) All board meetings considering any of the matters contained in this section shall be held only after notice of such meeting and the matters to be considered thereat have been given to every license holder by mail at least ten (10) days prior to the date of hearing.

prior to the date of hearing.

"(h) The board is authorized to promulgate such rules and regulations as relate to the anti-discrimination laws of the United States and the State of Texas, as same is applied to private employment agencies and the operation thereof; provided, however, such rules and regulations shall not be interpreted to broaden the application or scope of such anti-discrimination

The board is authorized to promulgate such procedural rules and regulations as may be necessary for the carrying of this Act and the enforcement of the provisions herein.

14

19 20

21

24

"Section 14. Injunction. Any person who shall operate a private employment agency, or who shall conduct an employment office, without first procuring such licenses as required and provided for in this Act may be enjoined from unlawfully pursuing such business or occupation, and the attorney general shall bring suit for such purpose in the name of the State of Texas in Travis County, and the district or county attorney of any county wherein such person engages in such business or conducts an employment office in violation of this Act is hereby authorized to maintain in the proper court of said county a suit in the name of the State of Texas to enjoin and prevent such person from unlawfully pursuing In all such cases it shall not be necessary for such occupation. the attorney bringing suit to verify the pleadings or for the state to execute any bond as a condition precedent to the issuing of any

injunction or restraining order hereunder.

(3) > "Section 15. Revocation of License. Any license issued under this Act may be revoked by the board upon a finding by the board that the holder of such license has been convicted of violating any of the laws of the United States or of this state involving moral turpitude or is guilty of repeatedly violating any of the rules or regulations promulgated by the board; provided, however, the holder of such license shall be entitled to notice, and such notice shall contain a statement which will accurately apprise such license holder of that of which he is accused and shall set the time for hearing not sooner than 30 days after the date of mailing of such notice, and such license holder shall be entitled to be present at the hearing and represented by an attorney. All notices under this section shall be mailed to the last known address of the under this section shall be mailed to the last known address of the license holder as reflected in the license holder's fire by certiaddress of the fied or registered mail.

"Section 16. Appeal. (a) Any person aggrieved by any decision of the board relating to the issuance, denial, revocation, or refusal to renew a license may, within 60 days after the date of the decision, appeal by filing a petition in the district court of the county of his residence. Any person aggrieved by any other decision of the board may, within 60 days after the date of the decision, appeal by filing a petition in a district court of Travis County. All such appeals shall be tried de novo, and the substantial evidence rule shall not apply.

"(b) Any person affected or aggrieved by any rule or regulation promulgated under this Act may sue in a district court of Travis County for a declaratory judgment as to the validity of the rule or regulation or the validity of its application to him. 62 Process shall be served on the attorney general and the commissioner. The provisions of the Uniform Declaratory Judgments Act

9 10

11

12

13 14

15

16

17 18

20

21

22

23 24

27

37

38 39 40

41

42

47

48

49

50

.51

1-2929

(Article 2524-1, Vernon's Texas Civil Statutes) apply to the extent they may be made applicable.

"Section 17. Penalty. From and after the effective date hereof it shall be unlawful for any person to engage in the private employment agency business as herein defined without having first complied with all of the requirements hereof and any person who violates or fails to so comply with the provisions hereof shall be guilty of a misdemeanor and shall be fined not less than \$100 nor more than \$500 or by imprisonment of not more than 6 months or by both such fine and imprisonment. Each day of such violation shall constitute a separate offense.

"Section 18. Disposition of Fees. The commissioner shall deposit all money received by him from license fees under the provisions of this Act in the state treasury to the credit of the general revenue fund. All money derived from examination fees shall be deposited in a bank and shall be used only to cover the expense of preparing, giving, and grading examinations, as authorized by the board."

the old to the new regulatory scheme. Sections 6, 8, 9, 10, and 12, Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended before the passage of this Act (Sections 6, 8, 9, 10, and 12, Article 52212-6, Vernonis Texas Sivil Statutes), remaining the section of the passage of this Act (Sections 6, 8, 9, 10, and 12, Article 52212-6, Vernonis Texas Sivil Statutes), remaining the section of t 10, and 12, Article 5221a-6, Vernon's Texas Givil Statutes), remain in effect and prevail over conflicting or inconsistent provisions of this Act through December 31, 1969. Otherwise, this Act takes effect September 1, 1969.

Sec. 3. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

Sec. 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and this Rule is hereby suspended, and that this Act take effect and be in force as provided by Section 2, and it is so enacted.

moore a dapted etc.

51 52 53

10 11

12

13 14

15

16

17 18

23

24 25

26

28

29 30 31

32

35

39

48 49 50

1-2929

Amend Section 1 of Committee Substitute for House Bill 169, by striking Section 13 in Section 1 and substituting in lieu thereof the following:

ラ "Section 13. COMDUCT." Employment agencies licensed (a) under this act shall not:

impose any fees for the registration of applicants for employment or any fee of applicants except for furnishing of employment obtained directly through the efforts of such agency;

(2) engage or attempt to engage in the splitting or sharing of fees with an employer, an agent or other employee of an employer, or other person to whom employment service has been furnished or any other person not authorized to charge a fee under this act;

charge a fee greater than that authorized and promul-

gated by the Board;

- '(4) make, give, or cause to be made or given to any applicant for employees or employment any false promise, misrepresentation or inaccurate or misleading statement or information if such agency had knowledge or should have had knowledge of such falsity, misrepresentation, or inaccurate or misleading statement or information;
- procure or attempt to procure the discharge of any person ***(5)** from his employment;

unduly influence an employee to quit his employment for the purpose of obtaining other employment through such agency;

(7) require applicants for employment to subscribe to any publication or incidental service or contribute to the cost of advertising;

refer any person to employment deleterious to health or **~** (8) morals if the agency had knowledge or should have had knowledge of

such conditions;

- refer any employee or applicant for employment to a place where a strike or lockout exists without furnishing such employee or applicant with a written statement as to the existance of such strike or lockout, if the agency had knowledge or should have had knowledge such facts or conditions, a copy of which statement signed by the employee or applicant shall be kept on file for one year after the date thereof;
- "(10) make any referral to an employment or occupation prohibited by law;

'(11) refer any applicant for employment except upon a valid job order therefor;

*(12) make or cause to be made or use any name, sign, or advertising device bearing a name which may be similar to or reasonably be confused with the name of a government agency or which is false or misleading relating to their employment agency;

(13) knowingly and willfully violate any law of this state or the United States.

"(b) Employment agencies licensed under this act shall:

`(1) include their agency name and the address of such agency. in all advertising;

(2) keep, maintain and permit inspection thereof, adequate records to evidence compliance with this law and all other laws of this state and of the United States;

DR. 1.19 KR 5/29/69

(3) furnish receipts to all applicants for all payments made by such applicants in a form prescribed by the Board.

ADOPTED

CR5-29-69

- `(c) No employer seeking employees, and no person seeking employment, shall knowingly make any false statement or conceal any material fact for the purpose of obtaining employees, or employment by or through any private employment agency.
- "(d) The Board, the Commissioner or his deputies may inspect the records of any licensee hereunder under reasonable circumstances during normal business hours and the Board shall have subpoena duces tecum powers for all records relating to the services of an agency performing services hereunder.

Amend Section 1 of Committee Substitute for House Bill 169, by striking Section 15 of Section 1 and substituting in lieu thereof the following:

"Section 15. POWERS OF THE BOXED. (a) The board is authorized to establish and promulgate a schedule of permissible maximum fees allowed to be charged to applicants by private employment agencies in the performance of their services.

- (b) The board may promulgate provisions for the issuance of a temporary license for operators for emergency situations and for transfer of a private employment agency license.
- (c) The board shall promulgate procedural rules and regulations only, consistent with the provisions of this Act, to govern the conduct of its business and proceedings. Notwithstanding any other provisions of this Act, the board shall not have any power or authority to amend or enlarge upon any provision of this Act by rule or regulation to change the meaning in any manner whatsoever of any provision of this Act or to promulgate any rule or regulation which is in any way contrary to the underlying and fundamental purposes of this Act or to make any rule or regulation which is unreasonable, arbitrary, capricious, illegal, or unnecessary.
- '(d) All board meetings considering any of the matters contained in this section except under subsection (e) hereof shall be held only after notice of such meeting and the matters to be considered thereat have been given to every license holder by mail at least ten (10) days prior to the date of hearing.
- N(e) Any license issued under this Act may be revoked by the board upon a finding by the board that the holder of such license has been convicted of violating any of the laws of the United States or of this state involving moral turpitude or is guilty of violating any of the provisions of this act; provided, however, the holder of such license shall be entitled to notice, and such notice shall contain a statement which will accurately apprise such license holder of that of which he is accused and shall set the time for hearing not sooner than 30 days after the date of mailing of such notice, and such license holder shall be entitled to be present at the hearing and represented by an attorney. All notices under this section shall be mailed to the last known address of the license holder as reflected in the license holder's file by certified or registered mail.

DR 5/59/16

8A7-69

ADOPTED

MAY 24 1969

---- OF SENATE

Amend Committee Substitute for House Bill 169 by striking Section 2 and substituting in lieu thereof the following:

Section 2. In order to provide for an orderly transition from the old to the new regulatory scheme, Section 8, Chapter 245, Acts of the 51st Legislature, Regular Session, 1949, as amended, before the passage of this Act (Section 8, Article 5221a-6, Vernon's Texas Civil Statutes), remains in effect and prevails over conflicting or inconsistent provisions of this Act through December 31, 1969, Otherwise, this Act takes effect September 1, 1969.

XR5/29/189

0e5.29-67

ADOPTED

MAY 24 1969

SECRETARY OF SENATE

Amend caption to conform to body of bill.

ADOPTED

MAY 24 1969

Hotels Schuald

LikeTary OF SENATE

H.B. No. 169

AN ACT

eventing the Years Private Employment Agency Regulatory Restriction; setablishing giving the beard sertain duties and responsibilities; establishing sertain requirements for the licensing of private employment agencies and private employment agency operators; associang Chapter 245, Auto of the Slot Legislature, Regular Session, 1949, as smeaded (Article 5222a-6, Vernon's Texas Civil Statutes); providing for severability; and declaring an emergency.

HE IT HACTED BY WEE LECTALSTONE OF THE STATE OF THIAS:
Section 1. Chapter 245, Acts of the Slat Legislature,
Regular Section, 1949, as smeaded (Article 5221a-6, Vernon's Tours
Civil Statutes), is quanted to read as follows:

"Soution 1. Definitions as used in the Act. (a) The term 'percen' means an individual, partnership, association, corporation, logal representative, trustee in bankrupter, or receiver.

- "(b) 'Pee' means anything of value including mency or other valuable consideration or services or the premise of any of the foregoing received by an employment agency from any person scaling employment or employment in payment for any service, either directly or indirectly.
- "(a) 'Employer' means any person employing or seeking to employ any employee.
- "(4) 'Applicant' mean any person engaging the souries of a pairwise employment against for the purpose of securing employment or any person placed by a private employment agency with an employer.

- "(a) 'Private Employment Agency' means any person, Place or establishment within this state who for a fee or without a fee offers or attempts, either directly or indirectly, to presure employment for employment or presures or attempts to presure employees for employees, except as hereinafter excepted from the provisions bereaf.
- "(f) 'Gamminutener' shall mean the Commissioner of the Depose of Labor Statistics, and he shall administer and enforce the provisions of this Lot and the rules and regulations promigated by the board and in all matters relating to the enforcement of this Act, shall be guided by the instructions and decisions of the beard.
- "(g) 'Deputy or impostor' shall men any person who is duly authorized by the commissioner to set in that especity.
- "(b) 'Operator' shall men the individual or individuals who have the responsibility for the day-to-day management, supervision and conduct of a private employment agency; and an operator may manage more than one office.
- "(1) 'heard' shall mean the Texas Private Employment Agency Regulatory Board.

"Section 2. Emoptions. The provisions of this Act shall not apply to appeales employ in the provisions of employment for public school tenahers and administrators; the provisions of this Act shall not apply to any amployment agency established and operated by this state, the United States provisions of this Act shall not apply to any papers the provisions of this Act shall not apply to any papers the may operate a labor bureau of

employment office in conjunction with his own business for the sole and exclusive purpose of employing help for his own use within or without this state, mer to any common carrier operating in this state who may operate an employment office in conjunction with his our business for the exclusive purpose of employing help for his own use within or without this state, provided that no fee or other charge or reduction is exacted from the salary or wages of the verter for employment given. If a fee or charge of any kind, either directly or indirectly is exacted from a verber, them said coployer to deemed a private coplayment agency and is subject to the provisions of this Act. The provisions of this Act shall not apply to farmers or stock relacre acting jointly or severally in securing laborary for their our use in this state where no fee in charmed or collected, either directly or indirectly for employment given; the provisions of this Act shall not apply to persons acting for members of their som family. The provisions of this Act shall not easily to any person, corporation, or charitable association chartered under the laws of Texas for the purpose of conducting a free employment bureau or agency, nor to any veterans' association or eventuation or labor union; nor to any nurses! eventuation sporated and conducted by registered nurses for the expellment of its professional numbers only for the purpose of providing professional corride to the public; the provisions of this Ast shall not apply to a labor agency engaged exclusively in the business of proouring commen laborare or agricultural verters for employers or any person sagaged exclusively in the business of procuring or absorpting to precupe jobs for comes laborers or agricultural werkers; the

provisions of this Act chall not apply to any portion conducting a business which consists of employing individuals directly for the purpose of furnishing part—time or temperary help to others.

"Section 3. Opention and Composition of the Board. (a) The Texas Private Replayment Agency Regulatory Board is hereby created. Its main office is in Austin, Texas, at the location of the office of the commissioner.

- "(b) The board is composed of nine members appainted by the governor with the advice and consent of the Senate.
- "(c) to be qualified for appointment as a member of the beard, a person must be a citizen of the United States and a resident of Texas and shall have been actively engaged in the private employment agency business as an operator coming an interest in a private employment agency in the State of Texas for a period of five years next preceding the date of his appointment.
- "(4) He more than two members of the board may be from any one senatorial district and no more than two members of the board may be from the same county. Further, the board shall be compared of three members who at the time of their appointment operate an agency in which not more than eight persons are engaged in the operations thereof and such agency is not, directly or indirectly, a part of a multiple-office or franchise operation; three members who at the time of their appointment operate an agency in which more than eight persons but not more than 25 persons are engaged in the operation thereof and such agency is not, directly or indirectly, a part of a multiple-office or franchise operation; three numbers who at the time of their appointment operate as

agency which is a single-office operation in which more than 25 persons are engaged in the operation thereof, or is either a part of a multiple-office operation or of a franchise operation, but not now than one person from any one such multiple-office or franchise operation may serve on the board simultaneously. For the purpose of this section agencies belonging or subscribing to a referral system shall not be considered as a multiple-office or franchise operation because of such membership in or subscription to such referral service.

- "(e) Except for the initial appointers, the members of the beard hold office for terms of six years, with the terms of three members expiring on January 31 of each odd-numbered year. In making the initial appointments, the governor shall designate three for terms expiring on January 31, 1973, and three for terms expiring on January 31, 1973, and three for terms expiring on January 31, 1975. The governor shall make the appointments in such a way that the term of one member from each of the three entegories described in Subsection (d) of this section expires every two years. If any number of the board ceases to own an interest in a private employment agency, he automatically vacates his office, which shall be filled by appointment as in the case of other vacancies.
- "(f) Numbers of the board qualify by taking the constitutional eath of office before an efficer authorized to administer eaths in this state. When a beard member presents his eath of office and the certificate of his appointment to the secretary of state, the secretary of state shall issue a commission to him. The

semmission from the secretary of state is evidence of authority to act as a member of the beard.

- "(g) The beard shall formally elect a chairman and secretary-treasurer from its numbers. The beard may adopt rules necessary for the optoply conduct of its business.
- "(h) Six members of the board constitute a quorum for the transaction of business and may act for the board. The board shall adopt a seal. The board shall prepare and preserve minutes and other records of its preceedings and action.
- "(1) Numbers of the board do not receive a salary for their services but each number is entitled to \$25 for each day spent in attending meetings of the board, including time spent in travel to each from the meetings, not to exceed \$500 a year. Hombers of the beard are also emtitled to be reimbursed for travel and other mesoscary expenses incurred while performing their official duties if the expenses are evidenced by voucher approved by the chairman or secretary-treasurer of the board.

"Section 4. Applications for License to Maintain and Operate a Private Employment Agency. Applications for license to maintain and operate a private employment agency shall be made by a licensed operator and shall be accompanied by a fee of \$150. Separate applications shall be made for each unit or location where a private employment agency is to be operated and for which a license is sought. Each license shall expire on August 31 of each year and shall be removable as hereinafter provided. The commissioner shall allow credit for any unused portion of the licenses existending on the effective date hereof.

"Section 5. Application for License as an Operator.

- (a) Application for a linease as an operator may be made by and shall be issued to any person who (1) is a citizen of the United States; (2) has been a resident of the State of Texas for one year next preceding the filing of said application, (3) is of good meral character, (4) has never been convicted of an offense involving meral turpitude, and (5) successfully passes the examination prescribed herein.
- "(b) The application shall be accompanied by the annual license for of \$15 plus an examination for of \$25. In the event the examination is not passed, the \$15 for shall be refunded but the \$25 shall not. All operators' licenses shall expire on August 31st of each year.

"Section 6. Application Forms. All applications for a license hereunder shall be made upon forms provided by the Bureau of Labor Statistics and shall state such information as the board and the commissioner may require, which shall include affirmative evidence of ability to comply with reasonable standards, rules, and regulations as are lawfully prescribed hereunder.

"Section 7. Renewal of Licenses. (a) A private employment agency license may be renewed annually by the operator thereof filing an application upon the forms provided and the payment of a \$150 renewal fee.

"(b) An operator's license may be removed annually by the operator by the filing of application for renoval upon forms provided for such renoval and the payment of \$15 renoval fee.

"Section 8. Rend. Rach applicant for a private coplayment agency license or renoval shall, before such license is issued, make and file with the countestoner a good and sufficient band executed by the applicant with good and sufficient surety in the penal sum of \$5,000 payable to the State of Texas; said band shall be conditioned that the obligor will not violate any of the duties, terms, conditions, and requirements of this Act, and that the principal, his agents or representatives will not make any false represembation or statement to any person soliciting assistance from him for employees or employment, or equicited by him to accept employment. Said bend is to further regite that any person injured or aggrieved by any falme or fraudulent statement of such agent, his subagest or representatives, or any violation of any prevision of this Act thereof by much agent, subagent or representative, shall be entitled to bring suit thereen. Provided, however, that one such band shall suffice where the same person shall make application for more than one office.

"Section 9. Emminations. (a) The examination for an operator's license shall be prepared by the board and shall cover the law and regulations relating to the operations of a private employment agency, the laws relating to discrimination in employment and related to labor legislation, and general nations related to the management and operation of a private employment agency. The questions for such examination shall be taken from a list of questions which shall have been furnished to the individual taking such examination tegether with a form of deceptable answers thereto upon request.

"(b) All examinations required by this Act shall be given at such times and places as the board may direct, provided, however, such examinations shall be given at least every 60 days.

"Section 10. Processing of Applications. The commissioner, upon receiving an application for any type of license, shall inspect or same to be inspected said application and shall make such investigation as may be necessary to determine that the applicant is qualified; provided, however, that all applications must be accepted and approved, or a date set for examination, or rejected, as the case may be, within 30 days of the date of filing thereof. In the event of examination being necessary, the license shall be issued or denied within 38 days of the taking of said examination. Any applicant, upon request to the consistioner, may see his examination papers within 90 days immediately following the announcement of the date a license has been denied to him as a result of his having failed his examination.

"Section 11. Grandfather Clause. All private employment agencies in business and operating and helding a license as a private employment agent on September 1, 1969, shall be entitled to be licensed under this Act, and all individuals functioning as an operator of a private employment agency helding a license from the State of Texas on September 1, 1969, shall be entitled to receive a license as an operator under this Act, upon filing an application before December 1, 1969, upon a form provided, and upon payment of the fee as prescribed herein, without meeting the examination requirements of Section 5 hereof.

"Section 12. Inspection. The commissioner, his deputies or inspectors, are hereby authorized and directed to enferce the previsions of this Act and the rules and regulations promulgated by the board.

"Section 13. Conduct. (a) Employment agencies licensed under this act shall not:

- "(1) impose any fees for the registration of applicants for employment or any fee of applicants except for furnishing of employment obtained directly through the efforts of such agency;
- "(2) engage or attempt to engage in the splitting or sharing of fees with an employer, an agent or other employee of an employer, or other person to whom employment service has been furnished or any other person not authorized to charge a fee under this act;
- "(3) charge a fee greater than that authorised and premulgated by the Board;
- "(4) make, give, or cause to be made or given to any applicant for employees or employment any false promise, misrepresentation or inaccurate or misleading statement or information if such agency had knowledge or should have had knowledge of such falsity, misrepresentation, or inaccurate or misleading statement or information;
- "(5) precure or attempt to procure the discharge of any person from his employment;
- "(6) unduly influence an employee to quit his employment for the purpose of obtaining other employment through such agency;

H.D. No. 169

- "(7) require applicants for employment to subscribe to any publication or incidental service or contribute to the sect of advertising;
- "(8) refer any person to exployment deleterious to health or morels if the egomey had knowledge or should have had knowledge of such conditions;
- "(9) refer any ampleyee or applicant for employment to a place where a studie or lookent exists without furnishing such employee or applicant with a written atatement as to the existence of such strike or lookent, if the against had knowledge or should have had knowledge of such facts or conditions, a copy of which statement signed by the employee or applicant shall be kept on file for one year after the date thereof:
- "(10) make any referral to an employment or occupation prohibited by law;
- "(11) refer any applicant for employment except upon a valid job order therefor;
- "(12) make or cause to be made or use any name, sign, or advertising device bearing a name which may be similar to or reasonably be confused with the name of a government agency or which is false or misleading relating to their employment agency:
- "(13) knowingly and willfully violate any law of this state or the United States.
 - "(b) Employment agencies licensed under this art shall:
- "(1) include their agency name and the address of such agency in all advertising;

- "(2) heep, maintain and permit inspection thereof, adequate records to evidence compliance with this law and all other laws of this state and of the United States:
- "(3) familia receipts to all applicants for all payments made by such applicants in a form prescribed by the Beard.
- "(a) He emplayer seeking employees, and no person seeking employees, that i bearingly make any false statement or conscal any material fact for the purpose of obtaining employees, or employment by or through any putrate employment agency.
- "(d) The Beard, the Countratener or his deputies may inspect the records of any licenses because under reasonable streamstances during normal business hours and the Beard shall have subjects during team powers for all records relating to the services of an agency performing services becauser.

"Section 14. Injunction. Any person who shall operate a private employment agency, or who shall conduct an employment affice, without first precuring such licenses as required and previded for in this Act may be enjoined from unlawfully purcuing such business or compation, and the atterney general shall bying suit for such purpose in the name of the State of Texas in Travia founty, and the district or county atterney of any county therein such person engages in such business or conducts an employment office in violation of this Act is hereby authorised to maintain in the proper court of said county a suit in the name of the State of Texas to enjoin and prevent such person from unlawfully purcuing such occupation. In all such cases it shall not be necessary for the atterney buinging suit to verify the pleadings or for the state

M.B. No. 169

to execute any bend as a condition procedent to the issuing of any injunction or restraining order becomes.

"Section 15. Powers of the Board. (a) The board is authorized to establish and promigate a schedule of psymbolic maximum focs allowed to be charged to applicants by private employment agencies in the performance of their services.

- "(b) The beard may premulgate previations for the issuence of a bemperary license for operators for emergency situations and for transfer of a private employment agoncy license.
- "(e) The beard shall promigate precedural rules and regulations only, consistent with the provisions of this Act, to govern the conduct of its business and proceedings. Notwithstanding any other provisions of this Act, the board shall not have any power or authority to amond or enlarge upon any provision of this Act by rule or regulation to change the meaning in any manner unatecover of any provision of this Act or to promigate any rule or regulation which is in any way contrary to the underlying and fundamental purposes of this Act or to mise any rule or regulation which is unreasonable, arbitrary, capricious, illegal, or unaccompany.
- "(4) All board meetings considering any of the metters contained in this meetica except under subscettion (c) hereof chall be hold only after notice of such meeting and the matters to be conmidered thereof have been given to every license helder by mail at locat ten (18) days prior to the date of hearing.
- "(*) My license issued under this Act may be reveled by the beard upon a finding by the beard that the halder of such license

States or of this state involving morel templishes or is guilty of violating may of the previous of this act; provided, however, the helder of such license shall be entitled to notice, and such notice shall eachain a statement which will accurately apprice such license helder of that of which he is accused and shall set the time for hearing not seemer than 30 days after the date of sailing of such notice, and such license helder shall be optitled to be precent at the hearing and represented by an atterney. All notices under this section shall be united to the last known address of the license helder as reflected in the license helder's file by ceptified or registered smil.

"Section 16. Appeal. (a) Any person aggreered by any decicion of the board relating to the incumes, denial, revention, or referal to remov a license may, within 60 days after the date of the decision, appeal by filing a potition in the district court of the county of his residence. Any person aggrieved by any other decision of the board may, within 60 days after the date of the decision, appeal by filing a potition in a district court of Truvis County. All such appeals shall be tried to zero, and the substantial evidence rule shall not apply.

"(b) Any passon affected or aggreered by any rule or requirement promitation makes that Act may run in a district court of Transa County for a declaratory judgment as to the validity of the rule or regulation or the validity of the application to him. French chall be nerved on the attenney general and the counteristen. The previous of the Uniform Declaratory Judgments Act

(Article 2524-1, Vermon's Texas Civil Statutes) apply to the extent they may be made applicable.

"Section 17. Penalty. From and after the effective date hereof it shall be unlawful for any person to engage in the private employment agency business as herein defined without having first complied with all of the requirements hereof and any person who violates or fails to so comply with the previsions hereof shall be guilty of a mindomenous and shall be fined not less than \$100 mer more than \$500 or by imprisonment of not more than 6 menths or by both such fine and imprisonment. Each day of such violation shall constitute a separate offense.

"Section 18. Disposition of Pees. The commissioner shall deposit all maney received by him from license fees under the previous of this Act in the state treasury to the credit of the general revenue fund. All money derived from examination fees shall be deposited in a bank and shall be used only to cover the expense of proparing, giving, and grading examinations, as authorized by the beard."

Sec. 2. In order to provide for an orderly transition from the old to the new regulatory scheme, Section 8, Chapter 245, Acta of the 5let Legislature, Regular Section, 1949, as amended, before the passage of this Act (Section 8, Article 5221a-6, Vermon's Bushs Civil Statutes), remains in effect and provails over conflicting or immensiones purvisions of this Act through December 31, 1969. Otherwise, this Act takes offect September 1, 1969. See. 3. If any provision of this Act or the application thereof to any person or circumstance is held invalid, such involidity shall not affect other provisions or applications of the Act which see to given affect without the invalid provision or application, and to this and the provisions of this Act are declared to be accorable.

Sec. 4. The importance of this legislation and the averded condition of the calendars in both houses events an emergency and an importaine public mesocalty that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and that this Jule is hereby suspended, and that this Act take effect and be in force as provided by Section 2, and it is co-enacted.

Ť.	40	-		-	خيسنى	حنس	-
		9 1 1				2 5 1	

Speaker of the House

I hereby certify that H.B. No. 169 was passed by the Neuse on April 29, 1969, by a non-record vote; and that the House concurred in Seaste emandments to H.B. No. 169 on May 28, 1969, by a non-record vote.

Chief Clerk of the House

H.B. No. 169

I haveby coreify that M.B. No. 169 was passed by the Sonate, as amended, as May 24, 1969, by a vive-voca vote.

Sometery.		the	Senate
-----------	--	------------	--------

APPROVED:

6-21-69

Deke

SDERETARY OF STATE

JUN 21 1969

Secretary of State

Severnor

APR 29 1969

BILL TO BE ENTITLED

AN ACT

severability of this Act; reand declaring an emergency. creating the Texas Private pealing all laws in conflict; Session, 1949, as amended amending Chapter 245, Acts of employment agency operators; employment agencies and private Employment Agency Regulatory the 51st Legislature, Regular establishing certain requirements for the licensing of private Article 5221a-6, Vernon's Texas ivil Statutes); providing pard; giving the board certain

FILED FEB 4 1969

1969

Chief Clerk, House of Representatives

MAR 17 1969 REPORTED FAVORABLY

non-record ORDERED _ENGBOSSED_1

Chief Clerk, House of Representatives
APR 29 1969

Rule requiring bills to be read on A four-fifths vote. three several days suspended by Constitutional

Yeas 1/6 Nays

Chief Clerk, House of Representatives

APR 29 1969 Read third time

and Passed

by following vo

HOUSE OF REPRESENTATIVES Chief Clerk

AS AMENDED

PRINTED, DISTRIBUTED AND LICED TO COMMITTEE OF

APR 29 1969

WHICH Z MOTION TO RECONSIDER THE VOTE 5%

SIDER PREVAILED BY A HON ROLL OF CONTROL ASSEMBLE / PASSED AND TO TABLE THE MOTION TO ARESO

IK HOUSE OF REPRESENTATIVES

APR 29 1969 SENT TO ENGROSSING CLERK.

APR 30 1969

A BILL TO BE ENTITLED

AN ACT

giving to certain agencies ter 245, amended severabi	the Texas Private Employment Agency Regulatory Board; he board certain duties and responsibilities; establishing requirements for the licensing of private employment and private employment agency operators; amending Chap-Acts of the 51st Legislature, Regular Session, 1949, as (Article 5221a-6, Vernon's Texas Civil Statutes); providing lity of this Act; repealing all laws in conflict; and g an emergency.					
2- 4-69	Filed.					
<u>2- 6-6</u> 9	Read first time and referred to Committee on Governmental Affairs.					
3-17-69	Reported favorably as amended, sent to printer.					
3-18-69	Printed, distributed and referred to Committee on Rules at 2:00 p.m.					
4-29-69	Read second time, amended and ordered engrossed by a non-record vote.					
4-29-69	Constitutional Rule requiring bills to be read on three several days suspended by a four-fifths vote: Yeas 116, Nays 28.					
4-29-69	Read third time and passed by a non-record vote					
	Dorothy Hallman Chief Clerk, H. of R.					
4-29-69	Sent to Engrossing Clerk.					
4-29-69	Engrossed.					

RETURNED FROM ENGROSSING SENT TO THE SENATE

He M 1 Company of Haze Legg ABOPTED / PASSED AND TO TABLE THE MOTION, TO RECON-SIDER PREVAILED MAKE BY A MON- NECONG AOTION TOCKEGONSPOER MAY 2 8 1969 The House has concurred in Senate amen Chief Clerk, House of Representatives WHICH TELLING DONNELLINES to House Bill No. 129 by MAY 23 1969 MAY 2 0 1969 Reported adversely, with favorable Committee Substitute; Committee Substitute To permit consideration, reading and passage, Senate and Constitutional Rules 25 yeas, 3 nays to place bill on third reading and final passage passed to third reading. MAY 241969 Senate and Constitutional 3-Day Rules suspended by vote of (unanimous consent (a viva-voce vote. MAY 24 1969 Caption ordered amended to conform to body of bill. 1969 Read, referred to Committee on State OL MAY 241969 Regular order of business suspended by yeas, MAY 2.4 1969 Read second time , asman Sad $MRV \lesssim 4.1969$ Read third time and passed by MAY 1 1969 Received from the House suspended by vote of MAY 20 1968 Reported favorably. Ordered not printed. read first time.

SENT TO ENFORTING CLERK MAY 28 1969 MAY 26 1363 RETURNED FROM PRINTER. SENT TO SPEAKER

Chief Clerk, House of Representatives

SENT TO PRINTER

MAY 26 1969

Received from

Charles Dehnahel

OTHER ACTION:

Secretary of the Senate